Attachment 7

Instructions for Completing Program and Financial Plans and Program Budget Request Forms

August, 2004

Summary of Significant Changes from Past Instructions

1. FTE's must be entered if funds are being requested for T1 (temporary) positions. Do not include these FTE's in the position count lines on the BJ Summary tables.

2. The format of the Next Step Movement Date is mm/dd/yy. Previously, the instructions stated that the format was mmddyy (ie, the /'s must now be included).

3. Tables A, B, and C (program performance measures) are now in Excel database format. Turnaround forms will no longer be used for these tables.

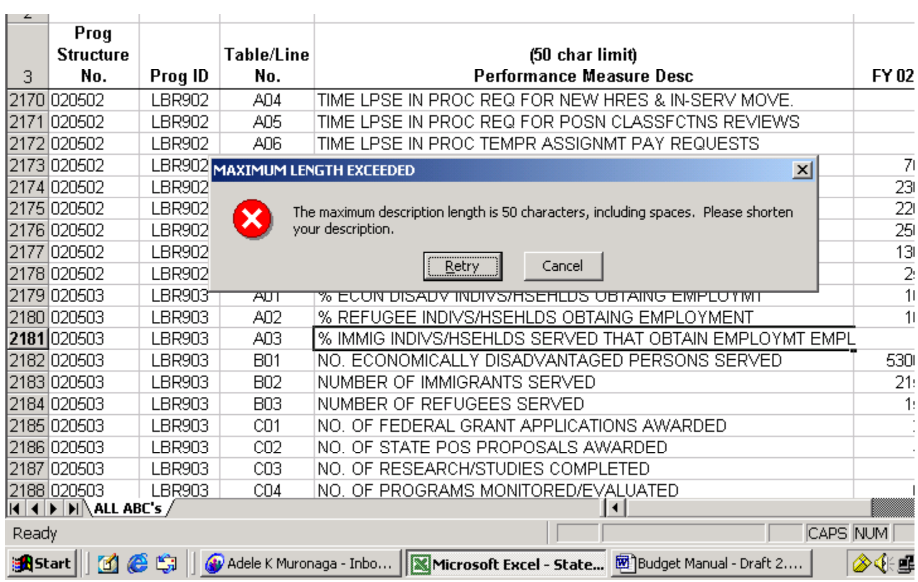
4. Negative and positive dollar amounts can now be entered on the same line on the Table BJ-1A, BJ-2, BJ-3, and BJ-4 Excel files. Previously, these amounts had to be shown on separate lines when using the hardcopy turnaround forms.

5. The descriptions and major object codes on the first 53 lines of Table BJ-2, Other Current Expenses, are no longer pre-set. You may enter any description and object code on the Other Current Expenses tables.

General Instructions that Apply to all of the Excel Database Files

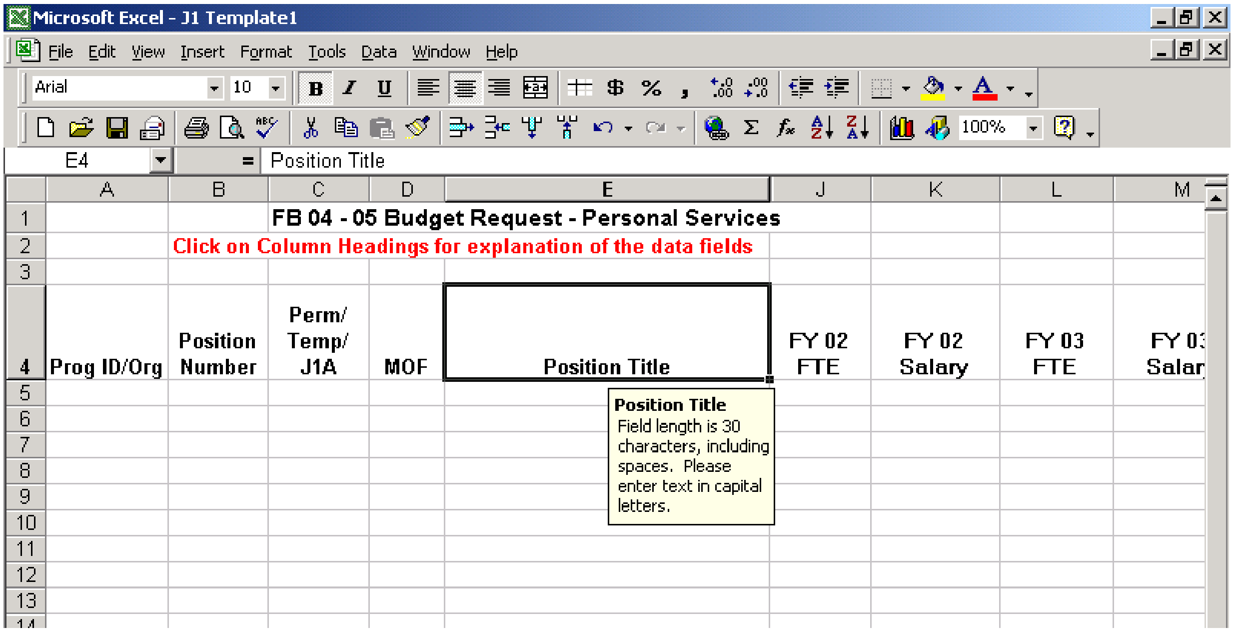
1. **Keep your Caps Lock key on.** All text must be entered in caps in order to be uploaded to the IBM master files.

2. Some text fields, like the position title, incumbent name, other current expenses, equipment, and motor vehicle item descriptions**, are now field-length validated**, ie., an error message box will appear if the description length is exceeded.



Click on [Retry], then click in the description field, edit your description, and then press [Enter]. The error message box will not appear if the length is within the allowable field length. The error message box will reappear if the description is still too long.

3. An explanation message will appear if you click on the column headings in each spreadsheet.



The message will disappear when you move the cursor out of the column heading cell.

4. **All line numbers on the Excel files (BJ-1A, BJ-2, BJ-3, and BJ-4) are three-digits long**. These columns have been formatted to display three digits even if you enter 1 or 2 digits, but please enter three digits (ie., 013) if the formatting doesn't work.

5. **Key on [Data]/[Form] to make updating large files, like the personal services file, much easier.** This feature displays all of the fields of one record (one row of the Excel file) in boxes all on one screen; you no longer have to tab over to see the end of the row. See the screen print below.

   When you press on [Data]/[Form], a screen with all of the data fields and column headings, and a column of buttons on the right hand side of the screen will appear. The buttons are [New], [Delete], [Restore], [Find Prev], [Find Next], [Criteria], and [Close].

   - [New] – this button will display a blank form for entering a new line to your spreadsheet
   - [Delete] – this button will delete the record that is showing in the data boxes on the screen
   - [Restore] – this button will restore the original data on the record if you press it before you press [Enter]. Once the data is entered, [Restore] will not bring back the original data.

- [Criteria] – use this button to call up specific records. Key in the program ID/org and position or line number of the desired record and press [Enter].

  The record should then show up and you can enter your updates. Then press [Enter], and the next record in the file will be displayed.

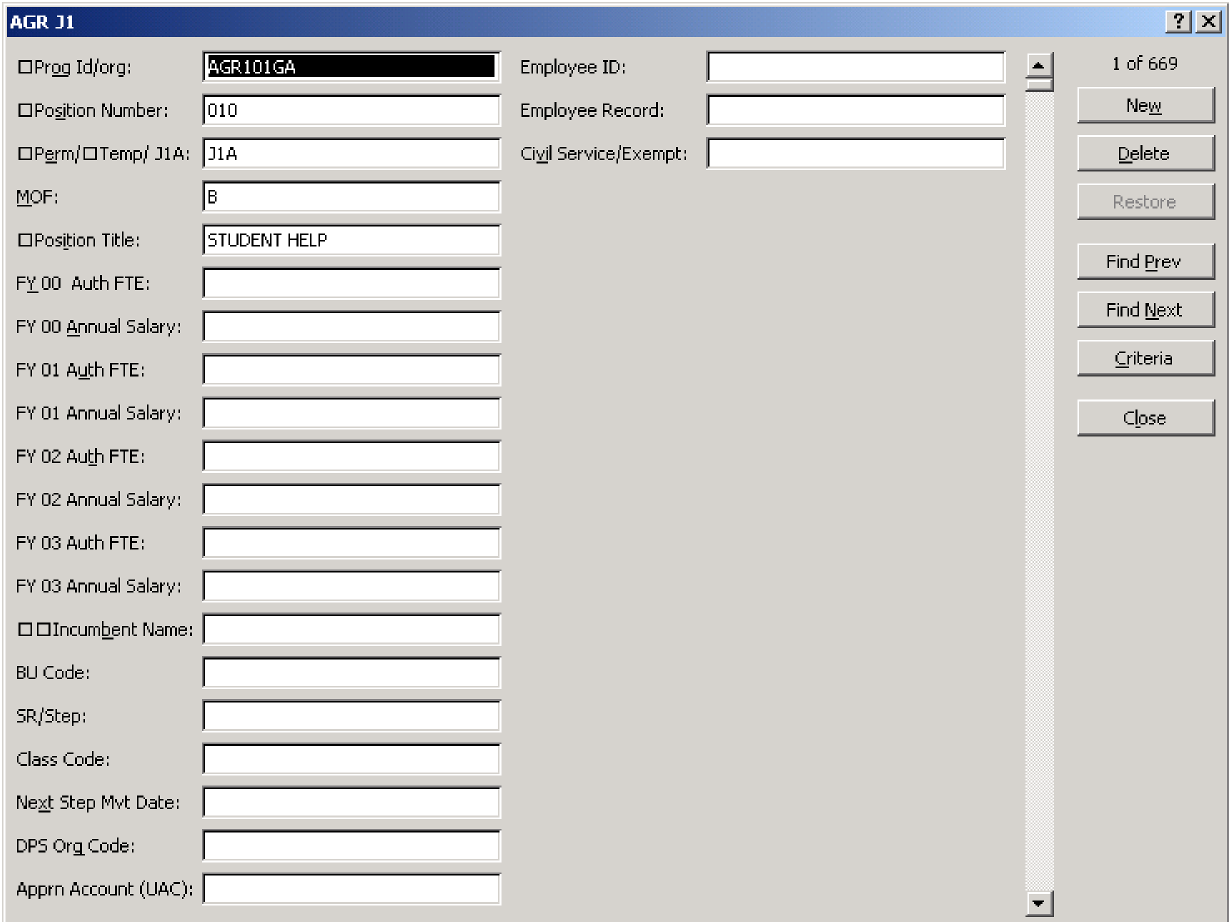
  See the note below, which explains further about using [Criteria].

- [Find Prev] and [Find Next] – these buttons will call up the previous or next record that matches the program ID/Org code and position/line number that you entered.
- [Close] – this button will close the form and display the normal Excel spreadsheet.

NOTE: When using [Criteria], Excel will search from the last record shown on the form to the end of the spreadsheet. This means that if you last called up a record in HTH530CC and now want to call up a record in HTH141EC, Excel will not find the record, assuming that your file is sorted in program ID/org code sequence.

In order to find HTH141EC, slide the scroll bar (found immediately to the left of the column of buttons) up to the top of the column, then press [Criteria], and key in the record you want to find. Excel can then search for your record from the beginning of the file. **- OR** – click on [Find Prev] and Excel will search back to the beginning of the spreadsheet.

When you key in data and press [Enter], the record on the Excel file will be updated (or deleted or added to the file, if you pressed the [Delete] or [New] button).


AGR J1
Prog Id/org: AGR101GA
Position Number: 010
Perm/ Temp/ J1A: J1A
MOF: B
Position Title: STUDENT HELP
FY 00 Auth FTE:
FY 00 Annual Salary:
FY 01 Auth FTE:
FY 01 Annual Salary:
FY 02 Auth FTE:
FY 02 Annual Salary:
FY 03 Auth FTE:
FY 03 Annual Salary:
Incumbent Name:
BU Code:
SR/Step:
Class Code:
Next Step Mvt Date:
DPS Org Code:
Apprn Account (UAC):
Employee ID:
Employee Record:
Civil Service/Exempt:
1 of 669
New
Delete
Restore
Find Prev
Find Next
Criteria
Close

General Budget Information

1.0 Types of Cost Categories

- Research and Development
- Operating
- Capital Investment

1.1 Research and Development Costs

1.1.1 Definition of Research and Development Costs

Costs primarily associated with the development of a new program, system or capability to the point where capital and/or operating costs are required to introduce the program, system or capability into operational use. Research and development costs are expended over a limited period of time to insure that future funds will not be committed without an appropriate assessment of future benefits and costs.

1.1.2 Examples of Research and Development Costs

- Personnel salaries and wages.

- Employee fringe benefits.

- Expenses of a consumable nature, such as materials and supplies; travel expenses; utilities; stamps; consultant fees; building and equipment rentals.

- If bond financing is utilized, allowable equipment for staff and programs, are stipulated in Executive Memorandum 97-07, as amended.

1.2 Operating Costs

1.2.1 Definition of Operating Costs

Recurring costs to operate, support and maintain authorized programs.

1.2.2 Examples of Operating Costs

- Personnel salaries and wages.
- Employee fringe benefits.
- Expenses of a consumable nature, such as materials and supplies; travel expenses; utilities; stamps; consultant fees; building and equipment rentals.
- All repairs and maintenance of existing buildings and facilities (reroofing, repainting, resurfacing) in order to retain and restore their former condition, unless the construction cost exceeds 40 percent (40%) of the replacement value for the entire facility. See Executive Memorandum 97-07, as amended, for additional guidance.
- Equipment needed by staff and programs.
- All equipment and furnishings for existing buildings.
- All motor vehicles for programmatic purposes, including buses and ambulances.

1.2.3 Differences Between Research and Development and Operating Costs

The resources utilized by the Research and Development and Operating cost categories are for different stages of the program and over a different time-frame. The purposes of research and development costs are to plan, test, and evaluate new capabilities which are not currently being utilized by State programs.

After the merits of this new capability have been evaluated, a decision can be made to terminate or to continue this capability. If the decision is to continue this capability on an on-going basis, the outlays will then be considered as an operating cost due to the recurring nature of the expenditures.

1.3 Capital Investment Costs

1.3.1 Definition of Capital Investment Costs

Capital improvement costs are those costs beyond the research and development phase which are required to support the continuation of a program by providing facilities and other related physical support. The time stream of benefits will accrue over the expected life of the facility.

Acquisition and development of land, the design and construction of new facilities, and the making of renovations and additions to existing facilities are expenses usually associated with capital investment costs.

1.3.2 Examples of Capital Investment Costs

- Advance planning for specific complexes, including the development of cost estimates and other support activities (feasibility study, site selection, master plan, long-range facility related plan, etc.).
- Acquisition of land and other related expenses, such as appraisal fee and cadastral engineering.
- Architectural and engineering design, including the preparation of an environmental impact statement and other necessary building permits and zoning clearances.
- Construction of facilities, including built-in equipment and fixtures to make the facility operable and other related engineering services.
- Initial furnishings and equipment essential for the proper functioning of the facility which cannot be provided by the existing inventory.
- Art-in-state buildings, as stipulated by Section 103-8.5, HRS.
- Projects which would renovate existing facilities as follows:
    - Extend or add to a facility to accommodate program growth.
    - Modify a facility in order to comply with standards which have been adopted since the construction of the facility (OSHA, EPA, programmatic, etc.) or to change its usage and utility.
    - Make significant improvements to a facility for better functional or operational efficiency.

1.3.3 Differences Between Operating and Capital Investment Costs

Equipment needed for on-going programs are operating cost items, while the initial equipment to make the physical plant functional are capital improvement cost items

Small replaceable equipment items which are used for programmatic purposes and have a life expectancy of less than 20 years (slide projectors, weighing scales, cameras, portable microphones, etc.) are not allowable as CIP costs.

All repair and maintenance projects should be treated as an operating cost irrespective of magnitude and cost. See Executive Memorandum 97-07, as amended, for additional guidance as to non-allowable CIP.

2.0 Means of Financing

The 16 different types of funds to finance programs are called means of financing. The means of financing of each of the three cost categories must be identified. The codes to indicate each means of financing are listed below:

Code		Financing
A	-	General Fund
B	-	Special Funds
C	-	General Obligation (G.O.) Bonds
D	-	G.O. Bonds Reimbursable
E	-	Revenue Bonds
J	-	Federal Aid Interstate
K	-	Federal Aid Primary
L	-	Federal Aid Secondary
M	-	Federal Aid Urban
N	-	Other Federal Funds
R	-	Private Contributions
S	-	County Funds
T	-	Trust Funds
U	-	Inter-departmental Transfers
W	-	Revolving Funds
X	-	Other Funds

Program Performance Measures

3.0 Types of Performance Measures

- **Planned Levels of Program Effectiveness (Table A)** – the degree to which results and accomplishments are expected with the implementation of the executive budget

- **Projected Target Groups (Table B)** – recipients or beneficiaries of the services provided by the program

- **Program Activities (Table C)** – major activities that will be carried out by the program to achieve the planned levels of program effectiveness

3.1 Performance Measures Excel File

The performance measure Excel file replaces the Tables A, B, and C turnaround forms; do not submit loose tables anymore. All of the fields that were on the tables have been incorporated into the Excel file.

After preliminary budget recommendations have been made by the B&F, the data for the approved measures should be updated to reflect the level of program goals that will be achieved by the implementation of the approved executive budget.

The performance measures and data in the Variance Report will come from this file.

3.2 Explanation of Data Fields – Sample 1

Program Structure Number	The 12-digit program structure number associated with the program ID or program level. Include the 0's.
Program ID	Fill in if this is a lowest level program. For intermediate or highest level programs, leave this field blank.
Table/Line No.	Identifies the type of measure (A, B, or C) and the sequence number (1 thru 10). Valid values in this field are A01 thru A10, B01 thru B10, and C01 thru C10.

Performance Measure Description	May include special characters and is limited to 50 spaces. Please include units of measure if the units are not clearly implied in the description Do not change the wording of any description without first consulting the appropriate B&F analyst.
Fiscal Year Columns	Enter the data for the performance measures. Maximum of 7 characters; special characters may be used.

The Operating Budget

4.0 Components of the Operating Budget

- Table BJ Summary - summary of the detail tables
- Detail Tables by Cost Elements:
  - Personal Services (Tables BJ-1, BJ-1A, and BT-1)
  - Other Current Expenses (Table BJ-2)
  - Equipment (Table BJ-3)
  - Motor Vehicles (Table BJ-4)

Turnaround forms will be provided for the Table BJ Summary only. All of the detail tables have been converted to Excel spreadsheets.

4.1 Table BJ Summary – Explanation of Data Fields – Sample 2

Program ID	The program ID including the two-digit BUF organization code (i.e., AGS 101CA).
$	Enter the dollar amounts of personnel costs funded by the means of financing designated in the MOF block The cost amounts must equal the sum of the amounts on Tables BJ-1, BJ-1A and BT-1, by means of financing.
P	Enter the position counts from Table BJ-1 (i.e., permanent position counts only) funded by the means of financing entered in the $ line immediately above the P line. Use as many pairs of $ and P lines as needed (depending on the number of different types of means of financing in the program). Start with lines 01 and 02. Do not skip any lines.
TR	Transaction Code - Leave this column blank.
MOF	Means of Financing – Select one of the codes listed in the box below the program ID.

Total Personnel Cost	Enter the total of all personnel costs entered in lines 01, 03, 05, and 07. Enter this total on line 09 also.
Total No. of Personnel Positions	Enter the total of all position counts entered on lines 02, 04, 06, and 08. The total position count must equal the total number of permanent positions in Table BJ-1 only. These position counts should not include part-time, project-funded, temporary or other positions not permanently authorized.
Line 09 Personal Services	Total personal services costs which should equal the amount entered in Total Personnel Cost.
Line 10 Other Current Expenses	Enter the total of Table BJ-2, Other Current Expenses, all means of financing.
Line 11 Equipment	Enter the total of Table BJ-3, all means of financing.
Line 12 Motor Vehicles	Enter the total of Table BJ-4, all means of financing.
Part I Total Costs	The total of Lines 09, 10, 11, and 12.
MOF	Means of financing code of the requested amounts.
Lines 13 – 17	Enter the total of each means of financing required to fund this program.
Part II Total Costs	The total of all costs by means of financing which should match the Part I Total Costs

4.2 Personal Services (Tables BJ-1, BJ-1A, and BT-1)

- Personal services includes the major objects of expenditure 20XX and 28XX only. 29XX, Services on a Fee Basis, is reflected on Table BJ-2, Other Current Expenses.

- Table BJ-1 – enter permanent positions only.
  Table BT-1- enter temporary positions only.
  Table BJ-1A – enter other personal services costs, such as overtime, night differential, etc.

  All three types of records are included in the personal services Excel spreadsheet.

- All permanent and temporary positions in the Act 41, SLH 2004 budget details were updated with current incumbent information from DHRD's Human Resources Management System (HRMS) as of July 11, 2004. All information should be checked to ensure accuracy. The following positions were not included:

    1. Student positions.

    2. Positions with any of these five attributes: vicing; floater; substitute; seasonal; or temporary as needed.

    NOTE: Any corrections made to the turnaround BJ-1 form will not automatically update HRMS.

- Salary Projection Methodology

    1. Salary amounts shown for FY 05, 06 and FY 07 are based on the HRMS file as of July 11, 2004, i.e., any transactions (step movements, reallocations, etc) which were processed after that date were not used in calculating the salary amounts for FY 05, 06 or 07.

        For Units 02, 03, 04, and 13 – The FY 05 salaries reflect the 5% raise effective January 1, 2005, and the FY 06 and 07 salaries reflect the 5% increase for the full year. For those positions whose step movements were not processed by July 11, 2004 or are scheduled to occur after that date, the 5% raise is not based on the step movement. The salaries for these positions, therefore, may be understated and should be checked and corrected. These positions can be identified by sorting the personnel Excel file by the Next Step Movement column and looking for positions with step movement dates falling between July 1, 2004 and June 30, 2005.

        For Units 01, 09, 10 and EMCP – The salary rate effective on June 30, 2004 is carried over to FY 05, 06, and 07; that is, the same salary amount is shown in FY 04, 05, 06, and 07.

    2. DOE and UH will project the salaries of their positions (all classified and certificated positions in DOE; and all civil service, faculty and non-faculty positions in UH).

    3. No assumptions for future collective bargaining increases have been included beyond currently approved contracts.

4. Hourly and daily rate positions have been converted to an annual amount based on the FTE percent.

5. All vacant civil service positions have been reduced to the entry step on the pay scale. The salaries of vacant exempt positions are the salary amounts of the last incumbent, if the record of the last incumbent exists in HRMS. **If there is no record of the last incumbent, the salary is 0.**

6. If a position is funded by more than one means of financing, show each MOF portion on a separate line.

- Because the BJ-1 file will be used as the basis for collective bargaining and other reports, it is important that should reflect the most current information possible. Please ensure that each position title shows its corresponding BU and SR levels as laid out in the DHRD Compensation Plan. For example, a Clerk Steno II position should show job code 01.080, SR09, and BU 03

- Pseudo Position Numbers - A unique pseudo number must be assigned to each new position, i.e., a pseudo number cannot be used more than once in the same department.

1. Positions requested for FY 06 will have pseudo numbers beginning with 96xxxA, and positions requested for FY 07 will have numbers beginning with 97xxxA (xxx is the arbitrary number assigned to the position, and A is the department's alpha code.

   Example: 96001M is a pseudo number for a position (001) that the DAGS (M) is requesting for FY 06

2. For further information on pseudo position numbers, contact your departmental coordinator.

- Show positions that are on loan from one department (or program) to another only in the department from which they are loaned. For example, if the Attorney General (AG) has assigned persons to the Department of Transportation (DOT), they should be included in the Attorney General's personnel total.

  Use MOF code U as the funding for these positions in the AG budget. DOT should show the cost of the positions as Other Current Expenses, using the appropriate MOF code (in this case, MOF B – special funds).

- Include employee fringe benefits as a BJ-1A line item only if the program is non-general funded.

- Do not include funds in the planning period for anticipated collective bargaining increases.

Personal Services Excel File – Explanation of Data Fields – Sample 3

(Asterisked fields are key fields and must be filled in for uploading purposes)

Field	Description
Program ID *	The program ID including two-digit B&F organization code (i.e., BUF 131EA).
Position/Line Number *	If Perm/Temp/J1A field is J1 or T1 – enter the six-digit position number. If J1A - enter the three-digit line number.
Perm/Temp/J1A *	Enter J1 for permanent positions; T1 for temporary positions; or J1A for other personal services
MOF *	Enter the means of financing for this line
Position Title	The position title of the position (J1 or T1) or item description (J1A). Limit of 30 characters, including spaces.
FTE Columns	The FTE for this position over the preceding two years and the budget period years. If the position is in multiple program IDs or means of financing, enter the portion of the FTE applicable to this line. **Enter the FTE for budgeted temporary positions on Table BT-1.** The summarization program will not add these counts to the total authorized position count for the program. If J1A, leave these fields blank.
$	Enter the actual, budgeted and projected salary amounts for the preceding two years and the two-year budget period. Show new or vacant positions at the entry level. **For J1A : Negative and positive dollar amounts can be shown on the same line**. For example, the following

amounts can be entered on the same line under the four fiscal year columns: -12,500 25,000 -54,995 1,500

Incumbent's Name	The name of the incumbent (last name first) of the position. **If the position is vacant, leave this block <u>blank; do not enter the word 'vacant'.</u>** If the position was abolished pursuant to Act 253, SLH 2000, Part V – Separation Incentives, please enter **Abolished mm/dd/yyyy** in the Incumbent Name field. To summarize, this field should contain only one of the following three values: 1) an incumbent name (last name first) 2) be left blank if the position is vacant 3) Abolished mm/dd/yyyy if the position was abolished pursuant to Act 253, SLH 2000. If J1A, leave this field blank.
BU	The bargaining unit of the position (13, 03, 93, 73, etc.) If J1A, leave this field blank.
Employment/Step Movement Date	The employment or step movement date of the position (MM/DD/YY). For example, June 30, 2002 should be entered as 06/30/02. For vacant or new positions, this box should be left blank. This date can be found in block 39a of the employee's SF-5 form. For included units 02, 03, 04, 09, 29, 13 and 23 and excluded units 82, 63, 84, 79, 99, 73 and 93 where the NOA code is 415, the date comes from block 39a of the SF-5 form. If the NOA code is other than 415, the date comes from block 48. For all other units (01, 05, 06, 07, 08, 10, 20, 11, 21, 61, 55, 56, 87, 68, 88, 70, 90, 71, 91), the date comes from block 48. If J1A, leave this field blank.
Salary	Salary range, wage board scale or excluded managerial. For filled positions, include the step (SR21L3, WB02C1, etc.). If J1A, leave this field blank.
Job Code	Class code of the position as assigned by the Department of Human Resources Development's (DHRD)

	Compensation Plan. If J1A, leave this field blank.
SOH Organization Code	The ten-digit State of Hawaii organization code to which position belongs (1501, 15030507, etc.). If J1A, leave this field blank.
Appropriation	The appropriation account which funds this position. Fund symbol and department alpha code are required; subdivision code is optional (i.e., G001T023 or G001T are acceptable forms of the appropriation account). Do not enter the year. If J1A, leave this field blank.

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4.3 Table BJ-2 - Other Current Expenses

- In the past, the item descriptions and object codes of the first 53 lines of Table BJ-2 were pre-set. This practice has been discontinued. **You may enter any object code and any description on any line of the Other Current Expenses file.**

- Exceptions to this flexibility: specific object codes have been assigned in the following three areas for budgeting purposes only:

  EDP-Related Requests

  71BB EDP Consultant Services

  56AA Rental of Word Processor

  56BB Rental of Micro/Mini-Computer

  56CC Rental of CRT Terminal

  56DD Rental of Printer

  56EE Rental of Other EDP Equipment

  57AA Other EDP Rentals

  58AA R&M of Computer Equipment

  Services-on-a-Fee-Basis (Previously 2900)

29AA Personal Services Rendered by Other State Departments and Agencies (State Employees)

71AA Services-on-a-Fee Basis (Other than State Employees)

Chapter 42D Purchases of Service, Grants, and Subsidies

71CC Purchases of Health and Human Services

71DD Grants

71EE Subsidies

- Effective July 1, 1996, all real or personal property acquired by the State through leasing or other financial agreements as defined by Act 119, SLH 1996, will be budgeted on the BK tables. See Section 5.2 of these instructions and Attachment 1 for more discussion of this matter.

Other Current Expenses Excel File – Explanation of Data Fields – Sample 4

Asterisked fields are key fields and must be filled in for uploading purposes.

Field name	Description
Program ID *	The program ID including two-digit B&F organization code.
Line Number *	The three-digit line number of this item in this program ID/org code.
Description	Description of this item; should be limited to 50 characters including spaces.
Means of Financing *	The means of financing code for this line item.
Object Code	Enter the major object code or your department's minor object code for this item.
LOCN	The location (island code) of the item. O = Oahu H = Hawaii M = Maui K = Kauai

	S = Statewide
NON REC	Non-recurring item. If the item is a one-time cost or only required for the budget period, it is considered non-recurring. Enter an "X" in this column if the item in non-recurring.
Costs	These columns are to be used for entering actual (FY 04), estimated (FY 05) and requested (FB 2005-07) dollar amounts.

NOTE: Use the appropriate costs and inflation factors as stipulated in the attached Guidelines.

4.4 Equipment (Table BJ-3) – Sample 5

Asterisked fields are key fields which must be filled in for uploading purposes.

Title	Description
Program ID *	The program ID including two-digit B&F organization code.
Line Number *	Consecutively number all items beginning with 001.
Description	A description of the equipment item being requested. The description should be limited to 42 characters including spaces.
MOF	The means of financing code for this equipment.
Object Code	The object code of the requested equipment.
LOCN	The island location code for the equipment.
R or A	Insert an "R" if the item(s) of equipment represents a **R**eplacement of existing equipment or an “A” if the item(s) is an **A**ddition.
Cost Per Unit	Enter the cost per unit in whole dollars. If there is a cost difference for an item between the two years of the budget biennium, enter the items to be purchased in FY 06 on one line and those to be purchased in FY 07 on a separate line.

Number of Units	Enter the number of units of the equipment requested shown to 2 decimal places, (for example, 1.00 or .50). In those cases where two means of financing will be used to purchase an item, complete 2 lines showing the MOF and the proportion of the item funded by that MOF.
Costs	The estimated purchase prices of equipment described. **FY columns for the previous biennium (FY04 and FY05) are included on the Excel file. Enter the actual equipment expenditures, by MOF, in these columns and on Line 11 of the BJ Summary table.** **The previous biennium FY columns presently do not exist on the IBM master files. However, we are evaluating the feasibility of adding those fields to the file.**

4.5 Motor Vehicles (Table BJ-4) – Sample 6

Each vehicle requested must be listed separately on a single line.

Title	Description
Program ID	The program ID including two-digit B&F organization code.
Line Number	Consecutively number all vehicle requests beginning with 001.
Description	A description of the motor vehicle being requested, limited to 42 characters including spaces.
Means of Financing	The means of financing code for this vehicle. Only one means of financing code can be used per line. Means of financing codes can be found either on Table BJ or in Section 3.0 of these instructions.
Object Code	The object code of the requested vehicle.
LOCN	Location at which this vehicle will be used.
R or A	Insert an "R" if the motor vehicle is a **R**eplacement of

existing vehicle or an "A" if it is an **A**dditional vehicle. All R requests must have the next three columns (year, model, miles run) completed.

Year	Enter the last two digits of the model year (e.g., 95 is entered for 1995) of the vehicle being replaced.
Model	Enter the model of the vehicle being replaced, limited to five characters.
Miles Run	The mileage of the vehicle being replaced.
Costs	The estimated purchase prices of the vehicle described for each of the two years of the budget period Use costs projected in the General Guidelines.

Like the Equipment file, FY columns for the previous biennium (FY04 and FY05) are included on the Excel file. Enter the actual motor vehicle expenditures, by MOF, in these columns and on Line 12 of the BJ Summary table.

The previous biennium FY columns presently do not exist on the IBM master files. However, we are evaluating the feasibility of adding those fields to the file.

5.0 Revenue Estimates

Revenue estimates are collected quarterly from each department via the Revenue Estimating System and are supplied to the DAGS revenue collection system. The quarterly update information is also used in the Statewide Financial Plan and is one of the bases for computing expenditure allocations.

Be sure to report all revenues from ceded lands since payments to OHA must now be budgeted consistently in all affected departments.

The latest revenue estimate update was due to B&F in July, 2004. These estimates will be used as the basis for evaluating the expenditure requirements of each program over the budget and planning period. Revenue estimate forms can be downloaded from the B&F website, www.hawaii.gov/budget/.

6.0 Current Lease Payments

In order to comply with Act 119, SLH 1996, the BK tables, which were formerly used for Research and Development costs, have been renamed "Operating Costs - Current Lease Payments" and will be used to capture funding requirements for lease payments in this biennium budget.

Briefly, the purpose of the act is to protect the State's credit rating by disclosing funding requirements for leases and other financing agreements in the Program and Financial Plan and Executive Budget. The act also makes current lease payments a new cost element in the operating budget. Clarification regarding which leases and financing agreements in the operating and capital budgets are covered by this Act will be issued separately.

Enter your funding requirements for these financing agreements on loose Table BK Summary forms and the appropriate BK detail Excel files (BK-1, 2, 3, or 4). The layout of these files is identical to the Table BJ-2, 3, and 4 files used for the operating budget, so refer to the detailed instructions for the BJ series when completing these files.

ENTER YOUR FINANCING AGREEMENT REQUIREMENTS ON THE BK FILES ONLY. DO NOT INCLUDE THEM ON THE BJ TABLES WITH YOUR OTHER RENTAL REQUIREMENTS OR YOU WILL BE DOUBLE BUDGETING THESE AMOUNTS. The total of all of your department's Table BJ and BK amounts must be within your budget allocation ceiling.

Use major object code 77 for equipment and motor vehicle financing agreements, and major object codes 55, 56 or 57 for items falling under other current expenses.

Capital Improvement Resource Requirements (CIP)

7.0 Components of the Capital Budget

- Table P – Required Appropriations
- Table Q – Expected Expenditures
- Table R – Project Justification

A set of each of the three tables is required for each capital project requesting authorizations during the budget biennium.

7.1 Table P – Required Appropriations – Sample 7

Program ID	Enter the Program ID of the program requesting the project
Capital Project Number	6-character (numbers and/or alphas) project number that is assigned by the requesting department.
Senate District	Enter the two-digit senatorial district in which the project is located. See the attached listing of senatorial district codes
Priority Number	Enter the four-digit priority number (0001 is the most important). The priority can be changed as new projects come into being and others are completed.
Island Code	Enter the one-digit island code where the project is located: 0 - Statewide 1 - Oahu 2 - Maui 3 - Hawaii 4 - Kauai 5 - Molokai 6 - Lanai
Representative District	Enter the representative district code where the project is located. See the attached listing of representative district codes.
Project Scope	Enter one of the following codes: N = New project I = Renovation project

A = Addition project
R = Replacement project
O = Other

Project Title

The title should begin with the name of the building, road, or complex followed by the island where the project is located. For example, “Lihue Airport, Security Improvements, Kauai” or “Kapolei High School, Fourth Increment, Oahu”.

Projects covering different complexes and areas should not be lumped together into a single project unless it is required to facilitate necessary flexibility.

Project Description

Start all project descriptions by stating the cost elements being requested in the budget period. For example, “Design, construction, and equipment for the renovation of Buildings C and H.” Limit of 60 characters per line, including spaces.

Under no circumstances should any project description state that unexpended balances from projects in previous appropriations acts may be used for the purposes of this project.

Lines 10-14

Enter the requested appropriations (in thousands of dollars) on the applicable cost element lines.

Lines 15-19

Enter the MOF in column 20 and the requested amounts (in thousands of dollars) under the applicable fiscal year columns.

The total of each column of Lines 10-14 must equal the total of each column of Lines 15-19.

7.2 Table Q - Expected Expenditures – Sample 8

Top Line

Enter the Program ID and Project Number in the boxes in the upper left-hand corner of the page.

Lines 01-07

Implementation Schedule. Enter the month (01 through 12) and the year (last two digits) for each of the seven phases of construction.

Line 08	Effect on Operating Budget. Enter the total effect that the capital project will have upon salaries of the operating budget during the first complete year after occupancy (Columns 20-25). Columns 21-25 are for providing the amount (in thousands of dollars) of the effect; Column 20 is for indicating whether the amount represents a decrease (by entering a "-" in the space), or an increase (insert a "+"). Columns 26-31 are to be used in a similar manner to indicate the project's effect on maintenance, Columns 32-37 for other expenses, and Columns 38-43 for utilities.
Lines 20-24	Cost Estimates. Enter the original and current cost estimates, and the final costs for the project in thousands of dollars. Each line is for a different cost element, as indicated.
Lines 25-38	State Appropriations. Indicate all prior state appropriations (if any) by year (last two digits of the year), appropriations act number (three digits), and the item number (up to ten digits). The total appropriation should be shown by the five cost elements. The first entry (if any) should be made on line 25. No lines should be skipped.
Lines 10-14	Expected Expenditures. Enter the expected expenditures (amount expected to be paid to contractors) under the applicable fiscal year columns and cost element lines.
Lines 15-19	Enter the MOF code in column 20 and the expected expenditure amounts under the appropriate fiscal year columns. The total of each fiscal year column of Lines 10-14 must equal the total of each column of Lines 15-19.

7.3 Table R - Capital Project Information and Justification Sheet – Sample 9

Project justification is required for each project that requests appropriations during the biennial period.

The following information, which is mostly self-explanatory, is required:

Top left corner	Fill in the expending agency, user program ID, and capital project number (not to exceed six characters.

Project title	Title as it appears on Table P.
Project Description	Project description as it appears on Table P.
Total Est. Project Cost	Total project cost, prior appropriations, and future-funding requirements by cost elements (plans, land acquisition, design, construction and equipment).
Project Information and Justification	Information should be provided to address and clarify the following:

1. The scope of the project, and whether the scope conforms to appropriation language.

2. Benefits to be derived and target group(s).

3. Relationship of the requested project to other planned developments within the area, if applicable.

4. Factors considered in the development of the project timetable.

5. Consequences of possible deferral of this project.

6. Basis for estimating capital improvement requirements (e.g., enrollment, staffing, nature of program activities, traffic patterns and volume, need for recreational facilities, etc.).

7. Standards or criteria used to translate space and facilities required by operating program into specific requirements (e.g., square feet of space/position level, miles of highway, acres of recreational area/000s population). Published standards currently in use for major categories of capital facilities, such as school buildings, highways, etc., should be provided to B&F.

8. Analysis of the alternative ways of meeting capital requirements. These alternatives may include more efficient use of existing facilities; renovation and/or expansion of existing facilities; construction of new facilities; leasing facilities; construction of temporary facilities. They may also include alternative definitions of service areas

in combination with alternative minimum/maximum criteria governing the size of the facility (e.g., school boundaries).

9. Plot plan, drawn to scale if possible, to illustrate the following:

   a. Existing buildings, roads, and applicable infrastructure in the area of the proposed project.

   b. Outline of improvements, including:
   1) existing improvements;
   2) improvements under construction;
   3) improvements previously authorized by the Legislature but not yet under construction; and 4) other proposed improvements.

   c. Land use requirements in acres. Indicate setbacks, rights of way, easements, parking areas, landscaped areas, open areas, and building areas.

   d. Location description. Note: Requests for funds for projects with an undetermined location may be subject to further review.

   e. Other details including: 1) notation of the plot plan structures which would be replaced by the proposed project; and 2) if the facility is to be used by more than one department, the expending agency should prepare and submit one plot plan showing the floor areas being used by each department.

7.4 Table S - Summary of CIP Proposed Lapses and New Requests – Sample 10

Table S summarizes each department's proposed lapses and new requests by means of financing. Part A (Proposed Lapses) requires the act number and year, the project's item number in that act (e.g., G-12), the project title, the amount to be lapsed, and the means of financing.

Part B (New Requests) is a listing in priority order of the budget requests. Information that must be provided is the program ID in which the appropriation is being requested, the project title, and the requested amounts by fiscal year and means of financing.

8.0 Form PAB - Expenditure of G.O. Bond Proceeds Questionnaire (Replaces Private Business Use Questionnaire)

Form PAB must be completed for any project which includes, as a source of its funding, G.O. (C) or G.O. reimbursable (D) bond fund proceeds.

Questions are self-explanatory; however, the Policy and Procedures Manual prepared by Grant Thornton, Management Consultants, describes the roles, responsibilities, and procedures that user and expending agencies must follow to comply with Tax Reform provisions relating to G.O./G.O.R.-funded CIP. Specific questions on this questionnaire should be directed to the Financial Administration Division of the Department of Budget and Finance.

9.0 Program Plan Narrative – Sample 11

- Type lengthwise (across the 14" side in two columns) on 8-1/2" x 14" paper with a three-fourths inch margin on the left and right sides of the paper.

- Type the program structure number in the upper right-hand corner of the page.

  Example:

  07 01 01 01

- Type the program ID and description in the upper left corner of the page.

  Example:

  EDN 100: SCHOOL-BASED BUDGETING

- The program narratives should not exceed two pages. Additional pages can be submitted provided prior approval from the Department of Budget and Finance is obtained.

  Do not refer to input tables by their letter designations. Instead, refer to the type of data, e.g., target group data, personnel data, etc.

- Each narrative should contain all of the following sections:

  A. Statement of Program Objective(s)

  Use the objective from the State of Hawaii Program Structure document, or as approved in the latest program structure update.

  B. Description of Request and Compliance with Section 37-68(1)(A)(B)

  Briefly describe the significant items (new programs that will be started, trade-offs that will be made in order to accommodate these new programs, etc.) in your FB 2005-07 budget request. For new programs starting in FY 04, discuss how these programs are appropriate functions of State government and how implementation by government will be as cost-effective as by the private sector

  C. Description of Activities Performed

This section should contain a brief description of the major activities carried out by the program to achieve program effectiveness.

D. Statement of Key Policies Pursued

This section should clearly state the key policies pursued. This section should state how the activity will carry out the objectives and policies of Part I and Part III (Priority Directions) of the Hawaii State Plan and the interim planning documents as stipulated by Administrative Directive No. 82-3, dated May 3, 1982.

E. Identification of Important Program Relationships

This section should identify important program relationships involved. Federal, City and County, and private sector programs, which have significant relationships to the current approved program, should be identified since obviously the State's activities should be integrated and coordinated with those of all of the other agencies. Particular reference shall be made to relationships with programs which further carry out the Priority Directions of the Hawaii State Plan and the interim planning documents.

F. Description of Major External Trends Affecting the Program

Broad local, state, national and international trends affecting the program should be briefly discussed.

G. Discussion of Cost, Effectiveness, and Program Size Data

This section should contain: a discussion of significant discrepancies between previously planned cost, effectiveness, and program size levels and those actually achieved; comments on and an interpretation of cost, effectiveness and program size data over the upcoming budget period with special attention devoted to changes from the current budget period; comments on and an interpretation of cost, effectiveness and program size data over the four years of the planning period and how they relate to the corresponding data for the budget period.

H. Discussion of Program Revenue

This section is for indicating all revenues generated by (or expected to be generated by) the current program.

Program revenues do not include legislative appropriations or transfers from other departments. The narrative should explain the basis for all revenue estimates.

I. Summary of Analysis Performed

This section should contain a summary of special analytic study, program evaluation or other analytic report supporting a substantial change in the program where such a major change recommendation has been made.

The narrative should summarize the findings of any program analysis performed and explain the plans to accomplish program objectives and the programming of the plans over the next six years. A sample format follows:

a. General Nature of the Problem

b. Reasons for Attention at this Time

c. Target Groups

d. Client Groups

e. Other Programs Relevant to this Problem (Including State, County, and Federal Programs)

f. Objectives Related to this Problem

g. Measures of Effectiveness Related to this Problem

h. The Framework of the Analysis

i. Alternatives

j. Evaluation of Alternatives

k. Recommendations

l. Appendices (As Needed)

J. Further Considerations

Program analysis is not necessarily limited to the items specified in A through H. Some program managers may feel the need to include additional material and are encouraged to do so, keeping in mind the requested four-page limitation. If a further assessment of the program is warranted, an appendix should also be submitted. The length of the appendix will not be limited to any specific number of pages. However, the existence of an appendix should be noted in this section and that copies will be made available to interested parties.

10.0 Sample Tables and Forms

The following tables and forms have been included for reference purposes:

Sample 1 – Program Performance Measures Excel File
Sample 2 – BJ Summary Table
Sample 3 – Personal Services Excel File
Sample 4 – Other Current Expenses Excsl File
Sample 5 – Equipment Excel File
Sample 6 – Motor Vehicles Excel File
Sample 7 – Table P – CIP Requested Appropriations
Sample 8 – Table Q – CIP Expected Expenditures
Sample 9 – Table R – CIP Justification Sheet
Sample 10 – Table S – Summary of CIP Proposed Lapses and New Requests
Sample 11 – Budget Narrative Format